House Engrossed Senate Bill

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CHAPTER 294

SENATE BILL 1203

AN ACT

AMENDING SECTIONS 48-6801, 48-6802, 48-6804, 48-6806, 48-6807, 48-6808, 48-6809, 48-6810, 48-6811, 48-6812, 48-6815, 48-6816, 48-6817, 48-6818 AND 48-6819, ARIZONA REVISED STATUTES; RELATING TO REVITALIZATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 48-6801, Arizona Revised Statutes, is amended to read:

48-6801. Definitions

In this article, unless the context otherwise requires:

1. "Clerk" includes any person or official who performs the duties of clerk of the municipality or any person appointed by the district board to be the district clerk.

2. "Debt service" means the principal of, interest on and premium, if any, on the bonds, when due, whether at maturity or prior redemption and fees and costs of registrars, trustees, paying agents or other agents necessary to handle the bonds and the costs of credit enhancement or liquidity support.

3. "District" means a tax levying revitalization district formed pursuant to this article.

4. "District board" means the board of directors of the district.

5. "Enhanced municipal services" means public service provided within the district at a higher level or to a greater degree than provided outside the district.

6. "General plan" means the general plan described in section 48-6802, subsection B, as the plan may be amended.

7. "Governing body" means the body or board that by law is constituted as the legislative department of the municipality, Indian tribe or community.

8. "Infrastructure" means all improvements listed in this paragraph that will result in a beneficial use principally to land within the geographical limits of the district and may include a district's share of any improvements listed in this paragraph if the district board determines such share is proportionate to the beneficial use of such improvements to land within the geographical limits of the district, improvements within or outside the geographical limits of the district, necessary or incidental work, whether newly constructed, renovated or existing, and all necessary or desirable appurtenances. Infrastructure improvements are:

(a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge.

(b) WATER SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DELIVERY, STORAGE, TREATMENT AND DISPERSAL.

~~(b)~~ (c) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge.

~~(c)~~ (d) Highways, streets, roadways and parking facilities, including all areas for vehicular use for travel, ingress, egress and parking.

~~(d)~~ (e) Areas for pedestrian, bicycle or other nonmotor vehicle use for travel, ingress, egress and parking.

~~(e)~~ (f) Pedestrian malls, parks and open space areas for the use of members of the public for entertainment, assembly and recreation.

~~(f)~~ (g) Landscaping, including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems.

~~(g)~~ (h) Buildings and facilities.

~~(h)~~ (i) Lighting systems AND COMMUNICATIONS FACILITIES.

~~(i)~~ (j) Traffic control systems and devices, including signals, controls, markings and signage.

~~(j)~~ (k) Land clearance activities, demolition of PUBLIC AND PRIVATE buildings and facilities and environmental remediation.

~~(k)~~ (l) Equipment, vehicles, furnishings and other personalty related to the items listed in this paragraph.

9. "Infrastructure purpose" means:

(a) Planning, design, engineering, construction, demolition, acquisition or installation of infrastructure.

(b) Acquiring, converting, renovating or improving existing facilities for infrastructure.

(c) Acquiring interests in real property for infrastructure.

(d) Establishing, maintaining and replenishing reserves from any source described in section 48-6812 or from any other source in order to secure payment of debt service on bonds.

(e) Funding and paying from bond proceeds interest accruing on bonds for a period of not to exceed three years from their date of issuance.

(f) Providing for the timely payment of debt service on bonds or other indebtedness of the district.

(g) Refinancing any bonds with new bonds.

(h) Issuing bonds to finance infrastructure purposes.

(i) Incurring expenses of the district incident to and reasonably necessary to carry out the purposes specified in this paragraph.

10. "MULTIPURPOSE EVENT CENTER" MEANS A BUILDING, A GROUP OF BUILDINGS OR A STRUCTURE THAT IS DESIGNED OR CONFIGURED TO BE ADAPTABLE IN PROVIDING VENUES THAT CAN ACCOMMODATE VARIOUS EVENTS SUCH AS MUSICAL CONCERTS, THEATER PERFORMANCES, TRADE SHOWS, SPORTING EVENTS, CONVENTIONS, CONFERENCES AND OTHER SOCIAL, CULTURAL, BUSINESS OR ENTERTAINMENT EVENTS.

~~10.~~ 11. "Municipality" means an incorporated city or town and includes an Indian tribe or community.

~~11.~~ 12. "Owner" means the person who, on the day the action, election or proceeding is begun or held, appears to be the owner of real property as shown on the property tax assessment roll.

~~12.~~ 13. "Revenue bonds" means those bonds that are issued pursuant to this article and that are secured by a pledge of revenues of the district or revenues collected by the county or municipality and returned to the district.

~~13.~~ 14. "Treasurer" includes any person or official who performs the duties of treasurer of the municipality or any person appointed by the district board as the district treasurer.

Sec. 2. Section 48-6802, Arizona Revised Statutes, is amended to read:

48-6802. Resolution of intent; eligible participants; district board

A. If the public convenience and necessity require, and on presentation of a petition signed by the owners of at least fifty-one per cent of the net assessed value of the property proposed to be included in the district and a petition signed by at least fifty-one per cent of the property owners in the area proposed to be included in the district, the governing body of one or more municipalities may adopt a resolution declaring its intention to form a district to include property within the corporate boundaries of the district. The resolution shall state the following:

1. The area or areas to be included in the district.

2. The purposes for which the district is to be formed.

3. That a general plan for the district is on file with the clerk.

4. The date, time and place of the hearing to be held on the formation of the district.

5. The place where written objections to the formation of the district may be filed.

6. That formation of the district may result in the levy of taxes or assessments to pay the costs of improvements constructed by the district and for their operation and maintenance.

7. A reference to this article.

8. That the district will be governed by directors chosen pursuant to this article.

B. Before adopting a resolution under this section, a general plan for the district shall be filed with the clerk setting out a general description of the improvements for which the district is proposed to be formed and the areas to be improved.

C. ~~A district may be formed pursuant to this article in a county with a population of more than two million persons.~~ The district shall be governed by an initial district board appointed by the governing body of each participating entity as follows:

1. If one municipality is participating in the district, the governing body of that municipality shall appoint three persons to serve on the initial board of directors~~, at least two of whom~~. THE THREE DIRECTORS shall own real property in the district.

2. If two ~~or more~~ municipalities are participating in the district, the governing body of each municipality shall each appoint one person to serve on the initial board of directors and those two initial board members shall name a third member ~~who is an owner of~~. THE THREE DIRECTORS SHALL OWN real property in the district. IF THREE OR MORE MUNICIPALITIES ARE PARTICIPATING IN THE DISTRICT, THE MUNICIPALITIES SHALL AGREE ON HOW TO APPOINT THREE DIRECTORS WHO OWN REAL PROPERTY IN THE DISTRICT.

D. The initial board of directors shall serve a term of one year ~~and~~. SUBSEQUENT MEMBERS OF THE BOARD OF DIRECTORS SHALL BE REAL PROPERTY OWNERS IN THE DISTRICT WHO SHALL BE ELECTED AT LARGE BY THE REAL PROPERTY OWNERS IN THE DISTRICT AS SHOWN ON THE PROPERTY TAX ASSESSMENT ROLL WHO ARE QUALIFIED TO VOTE PURSUANT TO SECTION 48-6818. THE BOARD OF DIRECTORS shall develop bylaws for the operation of the district. ~~, including bylaws regarding the election of the subsequent members of the board of directors. Bylaws for the district shall require that membership on the board of directors remains at three directors and that at least two of the members of the board of directors shall be owners of real property in the district and shall provide for a process of nominating and electing members to the board of directors~~ Subsequent members of the board of directors shall serve a term of four years.

Sec. 3. Section 48-6804, Arizona Revised Statutes, is amended to read:

48-6804. Hearing on objections

A. Any person claiming an interest in real property that the resolution discloses is situated in the district OR ANY QUALIFIED ELECTOR OF THE DISTRICT may file a written objection with the clerk before 5:00 p.m. on the business day preceding the date and time set for the hearing. The objection may raise one or more of the following:

1. That the objector's property would not be benefited from the improvements set forth in the general plan and that the property should be excluded from the district.

2. That the district should not be formed, stating the specific reasons.

3. That the general plan should be modified, stating the reasons for modification.

B. At the hearing, including any adjournments or continuances, the governing body shall hear and pass only on the written objections and the testimony and evidence presented in support of or opposition to the objections.

C. Testimony at the hearing need not be under oath, unless requested by any owner OR QUALIFIED ELECTOR or required by the governing board. Requests by owners OR QUALIFIED ELECTORS that the testimony be under oath must be made in writing and be filed with, or served on, the clerk before the hearing begins or the request is deemed waived.

D. The minutes or a copy of a written transcript or a tape recording of the proceedings of a hearing conducted pursuant to this section shall be open to public inspection three working days after the conclusion of a hearing. Any person may request to examine or be furnished copies, printouts, photographs, transcripts or recordings of a hearing during regular office hours of the governing body. The custodian of the records shall furnish the copies, printouts, photographs, transcripts or recordings and may charge a reasonable fee that does not exceed the actual cost of reproducing the item requested.

Sec. 4. Section 48-6806, Arizona Revised Statutes, is amended to read:

48-6806. Judicial review

A. An owner or other person claiming an interest in the property OR A QUALIFIED ELECTOR who filed a written objection and who presented testimony or evidence at the hearing may seek review of the order forming the district and the decision of the governing body at the hearing by filing, within thirty days after the adoption of the resolution prescribed in section 48-6805 that formed the district, a petition for special action with the court of appeals. The special action shall be governed by the rules of civil procedure relating to special actions so far as applicable and not in conflict with this article. The governing body shall transmit the transcript of the hearing, the order forming the district and the affidavits of mailing and publication of the notice and resolution of intent to form the district to the court of appeals. The petitioner shall bear the cost of preparing the record for appeal. The court of appeals shall place the special action on its calendar and give it precedence for hearing over all other civil actions except election contests. The review shall be limited to a review of the transcript of the hearing, the order forming the district and the affidavits of mailing and publication of the notice and resolution declaring the governing body's intention to form the district. The court may review, on the merits, whether the formation of the district and the adoption of the general plan complied with this article and the laws and constitution of this state and whether land is benefited by the district.

B. Land in an area deleted by order of the court or in a district ordered by the court to not be formed may not be included in a revitalization district for one year after the date the court's order is entered unless otherwise provided in the court's order or otherwise agreed to by the owner.

Sec. 5. Section 48-6807, Arizona Revised Statutes, is amended to read:

48-6807. Formation

A. If the formation of the district is approved, the governing body of each entity on adoption of the resolution forming the district shall appoint the initial directors of the district board, set the district boundaries and order that a map showing the district boundaries be drawn and a copy of the order forming the district be delivered to the county assessor and the board of supervisors of the county in which the district is located and to the department of revenue. A notice of the formation showing the number and date of the order and giving a description of the land included in the district shall be recorded with the county recorder. The district shall not be deemed formed until a resolution is approved by each participating city, town or Indian tribe or community.

B. On its formation, the district is a special purpose district for purposes of article IX, section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of article XIII, section 7, Constitution of Arizona, and a municipal corporation for all purposes of title 35, chapter 3, articles 3, 3.1, 3.2, 4 and 5. Except as otherwise

provided in this section, a district is considered to be a municipal corporation and political subdivision of this state, separate and apart from the municipality. Notwithstanding any other law, a district formed pursuant to this article does not have the power of eminent domain and does not have the power to enact zoning ordinances.

C. On formation of the district, the district board shall administer the implementation of the general plan for the infrastructure of the district and any development agreement entered into pursuant to section 9-500.05 between the governing body and ANY owners of land in the district. The district board shall be considered a party to that agreement.

Sec. 6. Section 48-6808, Arizona Revised Statutes, is amended to read:

48-6808. Powers of a revitalization district

A. In addition to the powers otherwise granted to a district pursuant to this article, a district may to further the implementation of the general plan:

1. Enter into contracts and spend monies for any infrastructure purpose with respect to the district.

2. Enter into intergovernmental agreements as prescribed in title 11, chapter 7, article 3 for the FINANCING, planning, design, inspection, ownership, control, maintenance, operation or repair of infrastructure or the provision of enhanced municipal services by the municipality in the district, including an intergovernmental agreement with an Indian tribe or community.

3. Sell, lease or otherwise dispose of district property if the sale, lease or conveyance is not a violation of the terms of any contract or bond resolution of the district.

4. Reimburse a municipality for providing enhanced municipal services in the district.

5. Operate, maintain and repair infrastructure.

6. Establish, charge and collect user fees, rates or charges for the use of any infrastructure or service.

7. Employ staff, counsel and consultants.

8. Reimburse a municipality for staff and consultant services and support facilities supplied by the municipality.

9. Accept gifts or grants and incur and repay loans for any infrastructure purpose.

10. Enter into agreements with landowners and the municipality for the collection of fees and charges from landowners for infrastructure purposes, the advance of monies by landowners for infrastructure purposes or the granting of real property by the landowner for infrastructure purposes.

11. After approval at an election held pursuant to section 48-6818, levy and assess the costs of any infrastructure purpose on any land benefited in the district.

12. Pay the financial, legal and administrative costs of the district.

13. Enter into contracts, agreements and trust indentures to obtain credit enhancement or liquidity support for its bonds and process the

issuance, registration, transfer and payment of its bonds and the disbursement and investment of proceeds of the bonds.

14. With the consent of the governing body of the municipality that formed the district, enter into agreements with persons outside of the district to provide services to persons and property outside of the district.

15. WITH THE CONSENT OF THE APPLICABLE GOVERNMENTAL ENTITY, use public easements and rights-of-way in or across public property, roadways, highways, streets or other thoroughfares and other public easements and rights-of-way, whether in or out of the geographical limits of the district or the municipality.

B. In connection with any power authorized by statute, the district may:

1. Contract.

2. Enter into intergovernmental agreements pursuant to title 11, chapter 7, article 3.

3. Adopt and change a seal.

4. Sue and be sued.

5. Enter into development agreements, as defined in section 9-500.05.

C. The district shall not be used to finance or facilitate the acquisition, operation, maintenance, construction or operation of a sports stadium or other sports facility that is designed SPECIFICALLY for or used SPECIFICALLY by a professional sports team, including a clubhouse, a practice facility or any other related facility or on-site infrastructure or related parking facilities for those purposes. THIS SUBSECTION DOES NOT APPLY TO THE FINANCING, ACQUISITION, OPERATION, MAINTENANCE OR CONSTRUCTION OF A MULTIPURPOSE EVENT CENTER.

D. Public infrastructure other than personalty may be located only in or on lands owned by the state, a county, a municipality or the district or dedicated or otherwise designated as public roadways, highways, streets, thoroughfares, easements or rights-of-way, whether in or out of the district or the municipality. Personalty may be used only for purposes authorized by the district board.

E. An agreement pursuant to subsection A, paragraph 10 of this section may include agreements to repay all or part of such advances, fees and charges from the proceeds of bonds if issued or from advances, fees and charges collected from other landowners or users or those having a right to use any infrastructure. A person does not have authority to compel the issuance or sale of the bonds of the district or the exercise of any taxing power of the district to make repayment under any agreement.

Sec. 7. Section 48-6809, Arizona Revised Statutes, is amended to read:

48-6809. <u>Perpetual succession</u>

The district has perpetual succession, except that the district may be dissolved as provided in section 48-6819 and, IF THE DISTRICT DOES NOT HAVE ANY BONDS OR OTHER OBLIGATIONS OUTSTANDING, shall be dissolved ten years after the date of formation unless the governing bodies of the participating

municipalities by resolution extend the district by an additional period of ten years.

Sec. 8. Section 48-6810, Arizona Revised Statutes, is amended to read:

48-6810. Records; board of directors; open meetings

A. The district shall keep the following records, which shall be open to public inspection:

1. Minutes of all meetings of the district board.
2. All resolutions.
3. Accounts showing all monies received and disbursed.
4. The annual budget.
5. All other records required to be maintained by law.

B. ~~On the expiration of the term of an appointed director, the governing body shall appoint a person to fill the position.~~ If a vacancy occurs on the district board because of death, resignation or inability of the director to discharge the duties of director, the vacancy shall be filled by appointment made by the governing body. A director appointed by the governing body shall hold office for the remainder of the unexpired term until the member's successor is elected as ~~otherwise~~ provided by ~~law and as provided in the bylaws of the district. An appointed~~ THIS ARTICLE. A director shall not be an elected official of the municipality or Indian tribe or community or an employee or agent of the municipality or Indian tribe or community but may be a director of more than one district.

C. The board of directors shall comply with title 38, chapter 3, article 3.1 as a separate political subdivision.

D. The district clerk and district treasurer shall be the clerk of the municipality ~~or county~~ and the treasurer of the municipality ~~or county~~, respectively, unless the district board appoints a district clerk and district treasurer.

Sec. 9. Section 48-6811, Arizona Revised Statutes, is amended to read:

48-6811. Participation by municipality

The governing body of the municipality, by resolution, may summarily order the participation by the municipality in the costs of any PUBLIC infrastructure purpose, including the payment of bond debt service.

Sec. 10. Section 48-6812, Arizona Revised Statutes, is amended to read:

48-6812. Finances

The projects to be constructed or acquired as shown in the general plan may be financed from the following sources of revenue:

1. Proceeds received from the sale of bonds of the district.
2. Monies of the municipality or Indian tribe or community contributed to the district.

~~3. Annual tax levies.~~

~~4.~~ 3. Special assessments.

~~5.~~ 4. State or federal grants or contributions.

~~6.~~ 5. Private contributions.

~~7.~~ 6. User, landowner and other fees and charges.
~~8.~~ 7. Proceeds of loans or advances.
~~9.~~ 8. Any other monies available to the district by law.

Sec. 11. Section 48-6815, Arizona Revised Statutes, is amended to read:

48-6815. Special assessments; assessment lien bonds

A. The district board, after approval OF THE ASSESSMENT at an election held as prescribed by section 48-6818, and pursuant to the procedures prescribed by sections 48-576 through 48-589, as nearly as practicable, or such other procedures as the district board provides, may levy by resolution an assessment of the costs of any infrastructure purpose, any operation and maintenance of infrastructure or any enhanced municipal services on any land in the district based on the benefit determined by the district board to be received by the land. Before the issuance of special assessment bonds the district may enter into a written agreement with a landowner as to the manner in which the assessment is to be allocated if the land is to be divided into more than one parcel. If an issue of special assessment lien bonds finances more than one purpose or service, the benefit received by the land, in the discretion of the district, may be determined by reference to the purposes and services as a whole or individually. The assessment may be based on estimated costs and amended to reflect actual costs, and the preparation of plans and specifications and the awarding of the contract are not a prerequisite to the levying of the assessment. An owner of land on which an assessment has been levied may seek judicial review of whether the land is benefited by the proposed infrastructure, on the merits, by special action filed with the court of appeals, within thirty days of the effective date of the resolution.

B. After adoption by the district board of a resolution levying a special assessment on property in the district, the district board may issue and sell special assessment lien bonds payable from amounts collected from the special assessments, from amounts available from time to time in any reserve fund established for those bonds and from any other amounts available for those purposes as prescribed by section 48-6812. The district and the county treasurer for the county in which the district is located may enter into an agreement for the county treasurer to collect the district's special assessments in the manner and by the officers provided by law for the collection and enforcement of general taxes. The district and the county treasurer may provide by agreement for the payment of the county treasurer's collection expenses directly related to the levy of the special assessment and, if so provided, the levy of the special assessment may include an amount for compensation of the county treasurer directly related to the collection of the special assessment. The compensation received by the county treasurer pursuant to the agreement shall be governed by section 11-496. The district board may also issue and sell bond anticipation notes pursuant to the procedures prescribed in section 48-2081 or with procedures as similar to

1 those as is practicable. The assessment shall be a first lien on the
2 property assessed subject only to general property taxes and prior special
3 assessments. In the event of nonpayment of an assessment and except as
4 otherwise provided in an agreement between the district and the county
5 treasurer pursuant to this section, the procedures for collection of
6 delinquent assessments, sale of delinquent property and issuance and effect
7 of the deed prescribed by sections 48-601 through 48-607 apply, as nearly as
8 practicable, except that in no event is the district or the municipality
9 required to purchase the delinquent land at the sale if there is no other
10 purchaser. If the landowner owns more than one parcel in the district, the
11 district board may provide procedures for the collection and enforcement of
12 assessments as the board deems appropriate by contract with a landowner to
13 permit the sale of any or all of the landowner's parcels in the district if
14 the landowner becomes delinquent as to any parcel that the landowner owns in
15 the district.
16 C. On adoption of the resolution, but before issuance of the special
17 assessment lien bonds, the district may direct the treasurer to make demand
18 on the owners of the property so assessed, as shown on the property tax roll,
19 for advance payment of the amount assessed. The demand shall state a date
20 not less than twenty days after the date of adoption of the resolution after
21 which the treasurer may refuse to accept advance payments of the assessment.
22 The treasurer shall certify to the clerk on or after the date specified in
23 the demand the amount collected and the assessments remaining unpaid against
24 each parcel of land assessed. Special assessment lien bonds may not be
25 issued in an amount in excess of the amount assessed in the resolution or, if
26 advance payments are demanded, the amount certified to the clerk. The
27 district may adopt procedures for prepayment and provisions for payment and
28 reallocation of assessments.
29 D. The district may issue and sell refunding bonds to refund any
30 special assessment bonds of the district.
31 Sec. 12. Section 48-6816, Arizona Revised Statutes, is amended to
32 read:
33 48-6816. Terms of bonds
34 With respect to any bonds the district board shall prescribe the
35 denominations of the bonds, the size of each issue and the form of the bonds
36 and shall establish the maturities, interest payment dates and interest
37 rates, whether fixed or variable, not exceeding the maximum rate stated in
38 the notice of the election or the resolution of the district board. The
39 bonds may be sold by competitive bid or negotiated sale for public or private
40 offering at, below or above par. If the bonds are sold below par, the
41 aggregate amount of discount and interest to be paid on the bonds shall not
42 exceed the amount of interest that would have been payable on those bonds
43 pursuant to the maturity schedule prescribed by the district board at the
44 maximum rate set out in the bond resolution. The proceeds of the sales shall
45 be deposited with the treasurer, or with a trustee or agent designated by the

district board, to the credit of the district to be withdrawn for the purposes provided by this article. Pending that use, the proceeds may be invested as determined by the district. The bonds may contain such terms, conditions, covenants and agreements as the district board deems proper. The bonds may be payable from any combination of ~~taxes,~~ revenues or special assessments of the types described in this article and as specified in the bonds if all applicable requirements are met.

Sec. 13. Section 48-6817, Arizona Revised Statutes, is amended to read:

48-6817. District taxes; annual financial estimate and budget

A. At any time after the hearing on formation of the district, the district board, or, if before formation, the governing body, may call an election to submit to the persons who are eligible to vote in the district as prescribed in section 48-6818 AND THE QUALIFIED ELECTORS OF THE DISTRICT the question of authorizing the district board to levy an ad valorem tax on the assessed value of all the real and personal property in the district at a rate or rates that do not exceed the maximum rate or rates specified in the ballot. All taxes ~~attributable to~~ SHALL BE USED FOR the operation and maintenance expenses of the district, excluding expenses for an area described in section 48-6808, subsection E, AND shall not exceed an amount equal to thirty cents per one hundred dollars of assessed valuation for all real and personal property in the district, unless a higher rate is approved by a petition signed by the owners of at least fifty-one per cent of the net assessed value of the property of the district and a petition signed by at least fifty-one per cent of the property owners of the district. The district board by simple majority vote may reduce or eliminate any portion of the tax imposed by the district.

B. The district may not levy~~, other than for the payment of debt service on bonds,~~ at a rate or rates in excess of the maximum rate then in effect.

C. When levying an ad valorem tax, the district board shall make annual statements and estimates of the operation and maintenance expenses of the district~~, the costs of capital improvements to be financed by the tax levy or levies~~ and the amount of all other expenditures for infrastructure and enhanced municipal services proposed to be paid from the tax levy or levies ~~and of the amount to be raised to pay bonds of the district~~, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the district. The district board shall file the annual statements and estimates with the clerk. The district board shall publish a notice of the filing of the estimate, shall hold hearings on the portions of the estimate not relating to debt service on bonds and shall adopt a budget. The board, on or before the date set by law for certifying the annual budget of the county or municipality, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the district and shall cause certified copies of the order

to be delivered to the board of supervisors and to the department of revenue. All statutes relating to the levy and collection of general county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the district taxes provided for by this section.

Sec. 14. Section 48-6818, Arizona Revised Statutes, is amended to read:

48-6818. Notice and conduct of elections; eligible voters

A. Any election under this article shall be a nonpartisan election called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. ANY ELECTION MAY BE CONDUCTED AS A MAIL BALLOT ELECTION IN THE MANNER PRESCRIBED IN TITLE 16, CHAPTER 4, ARTICLE 8.1 AS NEARLY AS PRACTICABLE. IF THE ELECTION NOTICE IS NOT MAILED TO THE PROPERTY OWNERS AND, IF APPLICABLE, TO THE QUALIFIED ELECTORS, THE notice shall also be published in a newspaper of general circulation in the municipality or if there is no newspaper so circulated in the municipality in a newspaper of general circulation in the county in which the municipality is located once a week for two consecutive weeks before the election. The notice shall state:

1. The place of holding the election.

2. The hours during the day, not less than six, in which the polls will be open.

3. If it is an assessment levy election, the maximum assessment rate to be imposed, the purposes for which the monies raised will be used and the existing maximum assessment rate, if any.

4. That a general plan is on file with the clerk.

B. The district board shall determine the date of the election and, IF APPLICABLE, the polling places for the election and may consolidate precincts. The clerk of the district board shall prepare a list of eligible voters in the election. A prospective LANDOWNER voter shall execute an affidavit stating that the voter is the owner of land in the district and is qualified to vote pursuant to this section and stating the parcel number owned by the voter. Election board members may administer oaths or take all affirmations for these purposes. An election held pursuant to this article is not subject to title 16, chapter 2, article 3.

C. Only the owners of real property in the district are eligible to vote in an election regarding an assessment to be levied against the real property in the district ~~and to vote~~, in an election for the board of directors of the district AND IN AN ELECTION FOR DISSOLUTION. Corporations, partnerships and other business entities are eligible to vote as property owners, but only one vote may be cast for each one-seventh of an acre of real property in the district, except that any fraction of ownership of real property that is less than one-seventh of an acre entitles the owner to cast one vote. A MAJORITY OF THE ACREAGE AS REPRESENTED BY THE VOTES CAST AT AN ELECTION CONDUCTED SOLELY UNDER THE ACREAGE SYSTEM SHALL DETERMINE THE

RESULT. AN ACREAGE SYSTEM ELECTION SHALL BE CONDUCTED PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTIONS 48-3042 THROUGH 48-3051 AS NEARLY AS PRACTICABLE.

D. Except as otherwise provided by this article, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for an assessment levy election, "assessment, yes" and "assessment, no". The returns of election shall be made to the district board.

E. Within fourteen days after an election, the district board shall meet and canvass the returns~~, and~~. IN THE CASE OF AN AD VALOREM TAX ELECTION, if a majority of the votes cast BY QUALIFIED ELECTORS AT THE ELECTION IS IN FAVOR AND THE MAJORITY OF ACREAGE AS REPRESENTED BY THE VOTES CAST at the election is in favor of imposing the ~~assessment~~ TAX, THE DISTRICT BOARD SHALL ENTER THAT FACT ON ITS MINUTES. IN THE CASE OF A LANDOWNER ELECTION ONLY, THE RESULT OF THE MEASURE SHALL BE DETERMINED BY A MAJORITY OF THE ACREAGE REPRESENTED BY THE VOTES CAST AT AN ELECTION, AND the district board shall enter that fact on its minutes. The canvass may be continued from time to time. Failure of a majority to vote in favor of the matter submitted does not prejudice the submission of the same or similar matters at a later election.

F. If a person listed on the assessment roll is no longer the owner of land in the district and the name of the successor owner becomes known and is verified by recorded deed or other similar evidence of transfer of ownership, the successor owner is deemed to be the owner for the purposes of this article.

Sec. 15. Section 48-6819, Arizona Revised Statutes, is amended to read:

48-6819. Dissolution of district

A. The district may be dissolved by the district board by a resolution of the district board if the following conditions exist:

1. All of the REAL AND PERSONAL property owned by the district has been or will be conveyed to a municipality.

2. Either the district has no BONDS OR obligations or the municipality has assumed all of the obligations of the district.

B. The district board shall comply with the conditions prescribed by subsection A and shall dissolve the district if both of the following occur:

1. The governing body has consented to comply with the conditions prescribed by subsection A and either:

(a) Dissolution has been approved by a vote of the ~~qualified electors~~ PROPERTY OWNERS of the district voting in an election called for that purpose.

(b) The governing body determines that the district has been inactive for at least five consecutive years and has no future purpose.

2. The district board adopts a resolution dissolving the district and records the resolution in the office of the county recorder.

C. The district board may call such an election and shall call such an election if requested to do so in a petition signed by ten per cent of the ~~qualified electors~~ PROPERTY OWNERS of the district.

D. The election shall be called and held in the same manner as ~~a bond or tax~~ AN ASSESSMENT levy election, except that the ballot shall contain the words "dissolution, yes" and "dissolution, no".

E. All property in the district, except federal, state, county and municipal property, remains subject to the lien for the payment of ~~general obligation bonds~~ AD VALOREM TAXES LEVIED, and any property subject to a special assessment lien remains subject to the lien notwithstanding dissolution of the district. The district may not be dissolved if any revenue OR ASSESSMENT bonds of the district remain outstanding unless an amount of money sufficient, together with investment income thereon, to make all payments due on the revenue bonds either at maturity or prior redemption has been deposited with a trustee or escrow agent and pledged to the payment and redemption of the bonds. The district may continue to operate after dissolution only as needed to collect money and make payments on any outstanding bonds.

F. If a proposal for dissolution is approved and the district is an Arizona state retirement system employer before the dissolution, the governing body of the district shall notify the director of the Arizona state retirement system of the dissolution.

APPROVED BY THE GOVERNOR APRIL 27, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 27, 2011.

Passed the House April 18, 2011,

by the following vote: 35 Ayes,

23 Nays, 2 Not Voting

Speaker of the House

Cheryl Laube

Chief Clerk of the House

Passed the Senate March 10, 2011,

by the following vote: 20 Ayes,

10 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20_____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1203

SENATE CONCURS IN HOUSE AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 19, 2011

by the following vote: 19 Ayes,

11 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

20 day of April, 2011

at 12:00 o'clock P. M.

Nicole Bendle
Secretary to the Governor

Approved this 27th day of

April

at 4:00 o'clock P. M.

Jan Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 27th day of April, 2011

at 4:45 o'clock P M.

Ken Bennett
Secretary of State

S.B. 1203